



## COMMISSION ON CHILD CARE

February 28, 2019

The Honorable Nancy Navarro  
President, Montgomery County Council  
100 Maryland Avenue, 6<sup>th</sup> Floor  
Rockville, Maryland 20850

Dear President Navarro and Members of the County Council:

The Montgomery County Commission on Child Care is dedicated to carrying out its mission to advise the County Executive and County Council on the development, implementation and effectiveness of government policies, programs, and services that enhance community support for quality, affordable and accessible child care. One of the priorities of the Commission for many years has been the Working Parents Assistance Program (WPA). The Commission has made recommendations to fully fund and implement WPA to increase accessibility and affordability of high-quality childcare in Montgomery County for all working families. The recent development of including \$1.9 million in WPA funds for the County FY19 savings plan is a source of great concern for us. We hope that this will not serve as a precedent for the FY20 savings plan for the County.

WPA was designed in 1986 to meet the child care needs of middle income and low-income families. The goal of this program is to enable working families to obtain quality, licensed child care that is critical for a child's early development. While this was the goal, everyone familiar with this program will agree that making this goal a reality has been an ongoing challenge. The cost of living in Montgomery County, the cost of running a child care business in the County and the cost of quality child care continues to increase.

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### Department of Health and Human Services

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The Commission is alarmed that item #32 in the FY19 savings plan for the reduction of \$1,972,211 to WPA was approved. This forecast of unspent WPA funds is a result of recent changes to the State Child Care Subsidy Program (SCCP). The underlying presumption is that the State has fixed its subsidy system. The State's reimbursement level was previously set at about 9% of market- which is one of the lowest rates in the country. With its recent increases the State subsidy program now reimburses child care providers about \$880/month for preschool care. If a provider does not subsidize the difference between the total cost of care and the subsidy, then a qualifying family could be trying to pay \$700 or more per month for full time care. For many low-income families in Montgomery County, paying the incremental cost of care is unrealistic. As a result, a family might qualify for a State subsidy but cannot afford to use it. WPA should be available as a supplement to the State program.

The Commission has also heard recent HHS and Council statements suggest that the funds for WPA can be saved or repurposed in the next budget cycle. These suggestions are deeply concerning. The State has developed a 4-year plan to raise the income eligibility levels and reimbursement rates for the SCCP.

After completion of the first year, an analysis should be done to assess the impact of the changes in SCCP on WPA. Given the high costs of living and care in Montgomery County, there will likely be a need to expand WPA supplements and revise income eligibility levels above the State thresholds so that families in the County can actually use their subsidy supports. No changes to reduce or repurpose WPA funding in the next budget cycle should be made without this information.

The Commission implores the County Executive and the Council to request additional information about WPA to make an informed decision about utilizing the funds to make quality childcare affordable in Montgomery County. We are available to have this discussion with the Council and would like to be actively involved in ensuring that WPA continues as an important support to Montgomery County families.

Sincerely,



Michelle Belski  
Vice Chair

c: Marc Elrich, County Executive